# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:2720
ANSWERED ON:18.03.2008
TAX CONCESSIONS FOR SEZ
Bhargav Shri Girdhari Lal

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether a recently conducted study commissioned by the Government reveals that the projected losses over incentives given to units and also tax concessions for SEZ based units, are exaggerated;

(b) if so, the details thereof;

(c) whether the study also reveals that such incentives to SEZ units will spur growth in productivity and employment; and

(d) if so, the details thereof?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) to (d) : The objectives of the SEZ Act, 2005 are generation of additional economic activity; promotion of exports of goods and services; promotion of investment from domestic and foreign sources; and development of infrastructure facilities. The SEZs notified under the SEZ Act has, as per available information, have generated investment of Rs. 67347 crore and have provided employment of 61015 persons. Exports from the SEZs grew by 52% in the year 2006-07 and in the current financial year (2007-08). SEZs have already effected exports to the tune of Rs. 40, 000 crore upto December 2007. The benefits derived from multiplier effect of the investments and additional economic activity in the SEZs and the employment generated thus will far outweigh the losses on account of revenue foregone.